Survey on planned industrial investments

*505. SHRIMATI VANGA GEETHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that there was a huge drop in planned industrial investments in new projects during the previous year;

(b) if so, the details thereof;

(c) whether any survey has been conducted in this regard;

(d) if so, the details thereof; and

(e) what are the reasons for this huge drop?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) and (b) Details of planned industrial investment during the last two years in terms of Industrial Entrepreneurs Memoranda (IEM) filed and Letters of Intent (LOI) issued arc as follows:

(Rupees in crorcs)

Year	IEM	LOI	Total
2000	72332	1042	73374
2001	91257	1318	92575

(c) to (e) The Centre for Monitoring Indian Economy (CMIE) has conducted a study title "Problems and Progress in Implementation of Major Investment Projects in India". The study released in October, 2001 is based on a sample survey undertaken by the CMIE of investment projects in India, with a view to identify the major constraints in the implementation of the existing projects in the country.

The survey has identified lack of aggregate demand as the primary reason for slowdown in investment activities.

SHRIMATI VANG A GEETHA: Sir, in order to achieve the eight per cent growth rate, there should be huge investments in various sectors, particularly, in the industrial sector. But the Government is unable to invest in the industrial sector because of the resource crunch. The national savings rate is also very poor because of the lackadaisical fiscal policy of the Government. I want to know from the hon. Minister what steps the Government proposes to take to encourage savings in the country.

SHRI MURASOLI MARAN: Sir, this is a question which should be put to the hon. Finance Minister. But I would only say that there is a gap between our domestic rate of savings and our idea of increasing the GDP growth rate to 8 per cent, which has been mentioned in the Approach Paper to the Tenth Five Year Plan. So, how to bridge it? One way is to increase our rate of savings. The other is to bring in FDI to fill the gap. And FDI is nothing but foreign savings.

SHRIMATI VANGA GEETHA: Sir, my second supplementary is this. What steps is the Government taking to encourage investments, particularly, in the infrastructure sector?

SHRI MURASOLI MARAN: Sir, several steps have been taken; they have all been mentioned in the Budget. I can mention some of the Budget proposals. For example, the Budget has allocated Rs. 38,000 crores for power, roads and railways. In respect of the Pradhan Mantri Gram Sadak Yojana, that is, connectivity of villages by roads, Rs. 2,500 crores, in addition to the earlier Rs. 5000 crores, have been allocated, in respect of Infrastructure Equity Fund, Rs. 1000 crores have been allocated. For the Urban Reforms Incentive Fund, Rs. 500 crores have been allocated. For the City Challenge Fund, Rs.- 500 crores have been allocated. For the Accelerated Power Development Reform Programme, Rs. 3,500 crores have been allocated. These arc the measures which have been taken.

श्री लाजपत राय : सभापति जी, मैं माननीय मंत्री महोदय से यह जानना चाहता हूं कि कि जो प्रोडक्ट लार्ज या स्माल स्केल इंडस्ट्रीज में बनती है और जिनको केन्द्र सरकार ने इन्सेंटिव देने का विचार किया है, उसमें क्या क्राइटैरिया रखा गया है, लार्ज स्केल या स्माल स्केल में जो बनती है उनको ही इन्सेटिव दिया जाए और बाकी को न दिया जाए?

SHRI MURASOLI MARAN: Sir, the Industry Ministry has been bifurcated, and the Department of Small Scale Industries is no longer with the Industry Ministry. There is a separate Minister for Small Scale Industries. But I would like to inform the hon. Member that, yesterday, the Governor of Reserve Bank announced the monetary policy wherein he has given a boost to the small scale industries. In the case of small-scale industries, banks have been allowed to waive the collateral requirement for loans for the present limit of _Rs. 5 lakhs to Rs. 15 lakhs. So, this change that has been brought about will help them in raising loans easily. It is good for the SSI sector.

Retail marketing of petro-products

*506. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government arc allowing private and foreign oil companies to undertake retail marketing pctrol/dicscl and Aviation Turbine.Fuel in the country;

(b) if so, the reasons for allowing foreign and private players in this sector; and

(c) in what manner the country is going to be benefited by this step?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) Government have laid down the guidelines vide its resolution dated 8th March, 2002 for granting of authorization to market